

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO**

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In re: :
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THE FINANCIAL OVERSIGHT AND : PROMESA
MANAGEMENT BOARD FOR PUERTO RICO, : Title III
:
as representative of : Case No. 17-BK-3283 (LTS)
:
THE COMMONWEALTH OF PUERTO RICO *et al.*, :
:
Debtors.¹ : (Jointly Administered)
:
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**NOTICE OF HEARING ON APPLICATION OF OFFICIAL COMMITTEE OF
UNSECURED CREDITORS FOR EMPLOYMENT OF CASILLAS, SANTIAGO &
TORRES, LLC AS LOCAL COUNSEL TO COMMITTEE**

PLEASE TAKE NOTICE that a hearing on the annexed *Application of Official Committee of Unsecured Creditors for Employment of Casillas, Santiago & Torres, LLC as Local Counsel to the Committee* (the “Application”) filed by the Official Committee of Unsecured Creditors of the Commonwealth of Puerto Rico, pursuant to section 1103(a)(1) of the Bankruptcy Code, made applicable to these proceedings by section 301 of the Puerto Rico Oversight, Management and Economic Stability Act of 2016 or “PROMESA”, will be held before the Honorable Laura Taylor Swain United States District Court Judge, at the United States District Court for the District of Puerto Rico, in Room 3, 150 Carlos Chardón Street,

¹ The Debtors in these Title III Cases, along with each Debtor’s respective Title III case number and the last four (4) digits of each Debtor’s federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (Bankruptcy Case No. 17 BK 3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation (“COFINA”) (Bankruptcy Case No. 17 BK 3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority (“HTA”) (Bankruptcy Case No. 17 BK 3567-LTS) (Last Four Digits of Federal Tax ID: 3808); and (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico (“ERS”) (Bankruptcy Case No. 17 BK 3566-LTS) (Last Four Digits of Federal Tax ID: 9686).

Federal Building, Office 150, San Juan, Puerto Rico 00918-1767 on **October 4, 2017 at 9:30 a.m. (prevailing Eastern Time)** (the “Hearing”).

PLEASE TAKE FURTHER NOTICE that any responses or objections (“Objections”) to the Application shall be in writing, shall conform to the Federal Rules of Bankruptcy Procedure and the Local Bankruptcy Rules for the District of Puerto Rico, shall be filed with the Court (a) by attorneys practicing in the District Court, including attorneys admitted *pro hac vice*, electronically in accordance with rule 5 of the Local Rules for the District of Puerto Rico (the “Local District Court Rules”), and (b) by all other parties in interest, on a CD-ROM, in text-searchable portable document format (PDF), to the extent applicable, and shall be served in accordance with the First Amended Case Management Procedures (Docket No. 262-1), so as to be so filed and received no later than **September 22, 2017 at 4:00 p.m. (prevailing Eastern Time)** (the “Objection Deadline”).

PLEASE TAKE FURTHER NOTICE that if an Objection to the Application is not received by the Objection Deadline, the relief requested shall be deemed unopposed, and the District Court may enter an order granting the relief sought without a hearing pursuant to the First Amended Case Management Procedures.

[Signature page to follow.]

Dated: August 4, 2017
San Juan, Puerto Rico

/s/ Juan J. Casillas-Ayala
Juan J. Casillas-Ayala, Esq.

CASILLAS, SANTIAGO & TORRES LLC
Juan J. Casillas Ayala, Esq., USDC - PR 218312
Diana M. Batlle-Barasorda, Esq., USDC - PR 213103
Alberto J. E. Añeses Negrón, Esq., USDC - PR 302710
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- and -

PAUL HASTINGS LLP
Luc A. Despins, Esq. (*Pro Hac Vice*)
Andrew V. Tenzer, Esq. (*Pro Hac Vice*)
Michael E. Comerford, Esq. (*Pro Hac Vice*)
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alexbongartz@paulhastings.com

*Proposed Co-Counsel for the Official Committee of
Unsecured Creditors*

Hearing Date: October 4, 2017 at 9:30 a.m. (Prevailing Eastern Time)
Objection Deadline: September 22, 2017 at 4:00 p.m. (Prevailing Eastern Time)

UNITED STATES DISTRICT COURT
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THE FINANCIAL OVERSIGHT AND : PROMESA
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as representative of : Case No. 17-BK-3283 (LTS)
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THE COMMONWEALTH OF PUERTO RICO *et al.*, :
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Debtors.¹ : (Jointly Administered)
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APPLICATION OF OFFICIAL COMMITTEE OF UNSECURED
CREDITORS FOR EMPLOYMENT OF CASILLAS, SANTIAGO &
TORRES, LLC AS LOCAL COUNSEL TO COMMITTEE

To the United State District Court Judge Laura Taylor Swain:

The Official Committee of Unsecured Creditors of the Commonwealth of Puerto Rico (the “Committee”) through its authorized representative, and pursuant to section 1103 (a) of title 11 of the United States Code (the “Bankruptcy Code”), made applicable to this this case pursuant to PROMESA section 301 (a), for the entry of an order, substantially in the form attached hereto as **Exhibit A** (the “Proposed Order”), (a) authorizing the employment of the law firm Casillas, Santiago & Torres, LLC (“CST Law”) as local Puerto Rico legal counsel to the Committee; and (b) providing that CST Law may apply for allowance and payment of interim compensation and

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reimbursement of expenses in accordance with PROMESA sections 316 and 317. In support of this Application, the Committee respectfully represents as follows:

Jurisdiction and Venue

1. The United States District Court for the District of Puerto Rico (the “Court”) has subject matter jurisdiction over this matter pursuant to PROMESA section 306 (a).
2. Venue is proper pursuant to PROMESA section 307 (a).
3. The statutory bases for the relief requested herein are PROMESA section 316 and 317 and Bankruptcy Code section 105 (a), made applicable in these title III cases pursuant to PROMESA section 301 (a).

Background

4. On May 3, 2017, the Oversight Board issued a restructuring certification pursuant to PROMESA sections 104(j) and 206 and filed a voluntary petition for relief for the Commonwealth pursuant to section 304(a) of PROMESA, commencing a case under title III thereof. On May 5, 2017, the Oversight Board, as a representative of the Puerto Rico Sales Tax Financing Corporation (“COFINA”) filed a title III case, and, on May 21, 2017, the Oversight Board filed a title III filing for the Employees Retirement System for the Commonwealth of Puerto Rico and the Puerto Rico Highways and Transportation Authority. On July 2, 2017, the Oversight Board also filed a title III case for the Puerto Rico Electric Power Authority.

5. On June 15, 2017, the United States Trustee notified the appointment of the Official Committee of Unsecured Creditors in the Commonwealth of Puerto Rico [Docket no. 338].

Relief Requested

6. The Committee has convened on various occasions to interview and consider various applicants to serve as legal counsel and as financial advisors to the Committee. In

recognition of the size and breadth of this proceeding, and related proceedings filed since May 3, 2017, including a number of adversary proceedings pending, the Committee understands it is required to retain able legal counsel to serve as local Puerto Rico legal counsel.

7. In selecting local counsel, the Committee has made careful inquiry into the qualifications and connections of the firm CST Law, and has found said firm to be appropriately qualified to represent the Committee as local Puerto Rico counsel in these proceedings by reason of the ability, integrity and professional experience of the members of the firm.

8. The Committee elected to retain CST Law effective as of July 21, 2017,² as its local Puerto Rico counsel in these proceedings subject to the approval of this Court in accordance with §1103 of the Bankruptcy Code as made applicable pursuant to PROMESA section 301 (a), Rule 2014 of the Federal Rules of Bankruptcy Procedure and LRB 2014-1 of the Local Bankruptcy rules for the District of Puerto Rico. The rates for the compensation of CST Law as agreed to by the Committee, are as follows:

- a) \$270.00 per the hour for the time of member attorneys;
- b) \$240.00 to \$260.00 per hour for the time of counsel attorneys;
- c) \$240.00 per hour for the time of income member attorneys;
- d) \$200.00 per hour for the time of senior associate attorneys;
- e) \$180.00 per hour for the time of associate attorneys;
- f) \$95.00 per hour for the time of our law clerks and/or paralegals;

² The Committee initially elected to retain O'Neill & Gilmore, LLC as its local Puerto Rico counsel, effective as of June 26, 2017. On July 21, 2017, the Committee determined to replace O'Neill & Gilmore, LLC with CST Law. O'Neill & Gilmore, LLC's retention application needs to be approved with respect to the period from June 26, 2017 to July 21, 2017, and, moreover, O'Neill & Gilmore, LLC will file a first and final fee application covering this period.

plus ordinary and necessary expenses, for work performed or to be performed by the firm upon application and the approval of the Court; rates which are considered to be reasonable and fair, in line with services comparable to those performed on behalf of other clients of CST Law.

9. CST Law has represented to the Committee that CST Law intends to provide the Committee monthly fee statements and, subject to any interim compensation orders entered by the Court, CST Law shall submit interim and final fee applications that shall include all of its fees for professional services rendered on an hourly basis and reimbursement of expenses incurred in connection with the Title III Cases.

10. Section 1103 of the Bankruptcy Code, made applicable herein by §301 (a) of PROMESA, provides as follows:

(a) At a scheduled meeting of a committee appointed under section 1102 of this title, at which a majority of the members of such committee are present, and with the court's approval, such committee may select and authorize the employment by such committee of one or more attorneys, accountants, or other agents, to represent or perform services for such committee.

11. To the best of the knowledge of the Committee, CST Law, has no prior connections with the Committee, the Oversight and Financial Management Board for Puerto Rico, or other party in interest, their respective attorneys and accountants, the United States Trustee or any person employed in the office of the United States Trustee, except as set forth in the attached certification under Local Puerto Rico Bankruptcy Rule 2014-1 of Juan J. Casillas-Ayala, Esq. The Committee is aware that on June 30, 2017, the Debtors submitted the creditors matrix with over 600,000 creditors, including entities and individuals. The Committee is aware that at this time a full conflict check is not feasible, and that CST Law will submit any supplemental declaration as needed.

12. The proposed local Puerto Rico legal counsel, CST Law, will work in tandem with the law firm of Paul Hastings, LLP, based in New York, New York, for the representation of the Committee, including, but not limited to: provide local support; assist with the preparation, filing, service, and notification of all motions, pleadings and applications and other requests for relief on behalf of the Committee; attend hearings in the courts of the Commonwealth of Puerto Rico as to matters related to the PROMESA proceedings; and to provide legal counseling to the Committee on matters pertaining to Puerto Rico law. The main legal counsel of the Committee, the various members of the law firm of Paul Hastings, LLP, have been sponsored for pro hac vice appearances before this Court by CST Law.

13. In compliance with Rules 2014 and 2016 (b) of the Federal Rules of Bankruptcy Procedure and LBR 2016-1, a certificate executed by Juan J. Casillas-Ayala, Esq., is accompanied with this Application.

14. The Committee understands that all allowed compensation and expenses will be paid by the Commonwealth (and other title III debtor(s) (if any) for which the Committee acts as the official committee of unsecured creditors), and counsel for the Puerto Rico Fiscal Agency and Financial Advisory Authority has represented to Paul Hastings LLP that the Commonwealth (and other title III debtor(s) (if any) for which the Committee acts as the official committee of unsecured creditors) has agreed to pay the fees of Committee's counsel on a timely basis after allowance by the Court or as provided in any interim compensation order. The Committee further understands that counsel for the Oversight Board has represented that, in accordance with PROMESA section 305, the Oversight Board consents to the Commonwealth's (and other title III debtor(s) (if any) for which the Committee acts as the official committee of unsecured creditors) payment as described herein. The Committee understands that under no circumstances shall the Committee members be responsible for payment of CST Law's fees and expenses.

15. In compliance with P.R. LBR 2014-1 (a) the curriculum vitae of Juan J. Casillas Ayala, Esq. is also attached to the instant motion application.

16. Pursuant to a duly convened meeting of the Committee on July 25, 2017, the undersigned, a member of the Committee, the American Federation of Teachers, by and through Mark Richard, Esq., was authorized by the Committee to appear on its behalf for the purpose of authorizing this Application to the Court.

17. The Committee requests the Court to provide for the effectiveness of the engagement of CST Law as of July 21, 2017, as provided by P.R.-LBR 2014-1 (e). This application is submitted within fourteen (14) days of the date CST Law first rendered services, that is, July 21, 2017.

[Remainder of page intentionally left blank]

WHEREFORE, the Official Committee of Unsecured Creditors respectfully requests this Honorable Court to enter an order, substantially in the form attached hereto as **Exhibit A**, (a) granting the Application; (b) authorizing the employment of CST Law as local Puerto Rico counsel for the Committee effective as July 21 2017, with compensation to be awarded in accordance with sections 316 and 317 of PROMESA, and any other interim compensation procedures as established by this Court, including the approval of any Fee Committee as may be established by order of this Court.

Dated: August 4th, 2017
San Juan, Puerto Rico

THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS

The American Federation of Teachers
Solely in its capacity as member of the Committee (and not in its individual capacity); authorized by the Committee to sign this Application

By: /s/ Mark Richard

Name: Mark Richard

Title: Counsel to the President

Filed by:

/s/ Juan J. Casillas-Ayala

Juan J. Casillas-Ayala, Esq.

CASILLAS, SANTIAGO & TORRES LLC

Juan J. Casillas Ayala, Esq., USDC - PR 218312

Diana M. Batlle-Barasorda, Esq., USDC - PR 213103

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michaelcomerford@paulhastings.com

alexbongartz@paulhastings.com

*Proposed Co-Counsel for the Official Committee of
Unsecured Creditors*

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO**

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In re:	:	
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THE FINANCIAL OVERSIGHT AND	:	PROMESA
MANAGEMENT BOARD FOR PUERTO RICO,	:	Title III
	:	
as representative of	:	Case No. 17-BK-3283 (LTS)
	:	
THE COMMONWEALTH OF PUERTO RICO <i>et al.</i> ,	:	
	:	(Jointly Administered)
Debtors. ¹	:	
	X	

**CERTIFICATION OF PROPOSED LOCAL PUERTO RICO COUNSEL FOR
OFFICIAL COMMITTEE OF UNSECURED CREDITORS UNDER PUERTO RICO
LOCAL BANKRUPTCY RULE 2014-1**

I, JUAN JOSÉ CASILLAS-AYALA, do hereby certify under penalty of perjury that to the best of my knowledge, information and belief, the following is true and correct:

1. I am an attorney and counselor-at-law, fully admitted to practice in the Commonwealth of Puerto Rico and in this Court.

2. I maintain an office for the practice of law at El Caribe Office Building, 53 Calle Palmeras, Ste. 1601, San Juan, PR 00901; and my postal address is P.O. Box 195075, San Juan, PR 00901; Tel. (787) 523-3434; Fax.: (787) 524-3433.

3. As of July 21, 2017, the firm of Casillas, Santiago & Torres, LLC (“CST Law”), of which I am a member, agreed to represent the Official Committee of Unsecured Creditors for

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the Commonwealth of Puerto Rico (“the Committee”) in these proceedings as local Puerto Rico counsel, as more particularly set forth in paragraphs four (4) and eight (8) of the Committee’s application for employment of attorney, subject to the approval of this Court.

4. Pursuant to the LBR 2014-1, I make the following disclosures:
 - b. Neither I nor any member of my firm holds or represents any interest adverse to the estates of the Debtors.
 - c. My connections and my firm’s connections with the Debtors, any creditor or other party in interest, their respective attorneys and accountants, the United States trustee, or any person employed by the United States trustee are as follows: the firm represents Genesis Security Services, Inc., an unsecured creditor and member of the Committee.² The firm also represents, Baxter Sales and Distribution Puerto Rico Corp, an unsecured creditor. Further, CST Law does premises liability and tort insurance defense work for an insurance company (and sometimes its insured), who insures Banco Popular de Puerto Rico on such matters. CST Law is terminating its prepetition representation related to Banco Popular matters. Additionally, our firm represented Banco Popular in an American Disabilities (Title III) action which concluded in January 2017. In light of the recent filing by the Debtors of the creditor matrix (on June 30, 2017) consisting of over 600,000 creditors, including both entities and individuals, the law firm will continue with its conflicts analysis to determine that there are no further conflicts, and will update this Certification as needed.

² For the avoidance of doubt, CST Law will not charge the Committee for any fees and expenses incurred as a result of its representation of Genesis Security Services, Inc.

- d. I am, and each member of my firm is, a “disinterested person” as that term is defined in 11 U.S.C. § 101(14).
- e. I have not agreed to share with any person, except members of my firm, the compensation to be paid for the services rendered in this case.
- f. The terms of compensation agreed to are as follows: the firm has not requested, nor received, any retainer. The firm has agreed to the representation of the Committee based on the following rates:
 - a) \$270.00 per the hour for the time of our member and counsel attorneys;
 - b) \$240.00 to \$260.00 per hour for the time of our counsel attorneys;
 - c) \$240.00 per hour for the time of our income member attorneys;
 - d) \$200.00 per hour for the time of our senior associate attorneys;
 - e) \$185.00 per hour for the time of our associate attorneys;
 - f) \$95.00 per hour for the time of our law clerks and/or paralegals;

All allowed compensation and expenses will be paid by the Commonwealth, and counsel for the Puerto Rico Fiscal Agency and Financial Advisory Authority has represented to Paul Hastings LLP that the Commonwealth has agreed to pay the fees of Committee’s counsel on a timely basis after allowance by the Court or as provided in any interim compensation order.

5. There are no agreements on the part of CST Law for the sharing of any compensation or reimbursement received or to be received under 11 U.S.C. §§330(a) and 503(b)(2), or otherwise in connection with this case, nor will it share in any such compensation or reimbursement received by another person under such sections, except the customary payments to members, partners, income members, counsel, senior associated and regular associates of the firm, as well as of-counsel that the firm engages from time to time.

6. In compliance with LBR 2014-1(a)(6), the undersigned certifies that he will amend this statement immediately upon learning that: (a) any of the representations made herein are incorrect, or (b) there is any change of circumstance relating thereto.

7. In compliance with Local Bankruptcy Rule 2014-1(a)(7), the undersigned certifies that he has reviewed the provisions of LBR 2014-1.

Pursuant to 28 U.S.C. §1746, I declare under penalty of perjury that the foregoing is true and correct.

In San Juan, Puerto Rico, this 4th day of August, 2017.

s/ *Juan J. Casillas-Ayala*

Juan J. Casillas-Ayala, Esq.
USDC No. 209614

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EDUCATION

InterAmerican University, Faculty of Law, Juris Doctor, *Cum Laude* (1997)
**University of Puerto Rico (Río Piedras Campus), Bachelor of Science in
Business Administration, *Cum Laude* (1994)**

PROFESSIONAL EXPERIENCE

- | | |
|--|-----------------------|
| - Casillas, Santiago & Torres, LLC
Member, 2011 to present | San Juan, Puerto Rico |
| - Fiddler González & Rodríguez, P.S.C.
Shareholder, 2000 to 2011 | San Juan, Puerto Rico |
| - Puerto Rico Supreme Court
Law Clerk to Hon. Francisco Rebollo López, 1998-2000 | San Juan, Puerto Rico |
| - Puerto Rico Court of Appeals
Law Clerk to Hon. Rafael Martínez Torres, 1997-1998 | San Juan, Puerto Rico |

BAR ADMISSIONS

- Commonwealth of Pennsylvania (1991)
- U.S. District Court for the District of Puerto Rico (1994)
- U.S. Court of Appeals for the First Circuit (1997)

AREAS OF LEGAL SPECIALIZATION

State & Federal Civil Litigation, Commercial Litigation, Labor and Employment,
Appellate Litigate

LANGUAGES

- English
- Spanish

MEMBERSHIPS:

- American Bar Association